

Titling Tips

April 2012

Important Reminders for Dealers

➤ ATTENTION LICENSED DEALERS! CHANGES EFFECTIVE DECEMBER 12, 2011 TO REDUCE VEHICLE SALES TAX FRAUD

The Department of Revenue is receiving title transactions in which individuals are fabricating dealer-certified title applications, bills of sale, and insurance total-loss statements. Title applicants and unscrupulous individuals acting on behalf of applicants are recording fraudulent purchase prices, trade-in amounts, other credits, rebates, and net prices on these documents—as well as title assignments—to reduce their sales tax liability. We may have contacted your dealership recently in this regard to verify suspicious net price and trade-in amounts. If so, we greatly appreciate your assistance in confirming this information.

In an effort to further combat fraud, the Department established the following procedures and communicated them to Missouri dealers through the Missouri Automobile Dealers Association, Missouri Independent Automobile Dealers Association, the Department's web site, and e-mail notifications to request your assistance in implementing the following changes **effective** December 12, 2011. You can learn more about these changes by viewing the corresponding [webinar](#).

1. Complete the sales-related amounts on the title assignment;

- Record the sale price, trade-in amount or "**None**" if no trade-in, and the net price when completing title assignments on **retail** sales, so the license office can verify that the amount on the title application or invoice was not altered, and that it matches what is on the assignment. In most of the fraud cases referenced above, the selling dealer left these amounts blank on the title assignment, which makes it much easier to carry out the fraud. **Recording the pricing information on the title assignment is very important to avoid action being taken against your dealer license.**
- If the ownership document does not have a preprinted area for recording the pricing information, the dealer should record "Net Price" and the corresponding net price.

2. Report the net price correctly when filing electronically and completing Notices of Sale;

- When you e-file, ensure that the price you enter for each vehicle sale is the "net" price of

the unit (not the "purchase price"), which should coincide with the "net" price you record and certify on the title application and record on the assigned title you provide your purchaser. Please double-check the accuracy of the amounts entered. The Department frequently relies on this information in determining the vehicle purchaser's sales tax liability, so it is critical that it be correct.

3. Provide trade-in documentation, if applicable; and

- Provide vehicle purchasers with a **copy of the front and back of the title** assigned from the owner of the trade-in to your dealership, and advise purchasers to submit the copies with their application for title to the license office. This will help the Department validate the trade-in—especially when the vehicle purchaser is not the owner of the vehicle traded in, and when the title for the vehicle traded in is an out-of-state title.
- If the title to the trade-in is held by a lienholder, provide a copy of the completed [Secure Power of Attorney \(Form 5086\)](#) in lieu of the title copies.

4. Advise new Missouri resident vehicle purchasers about the requirement (below) for claiming a 180-day tax credit.

- New** Missouri residents must submit **original** proof of ownership from their state of residence (i.e., an **original** registration receipt, or a **certified** title record from their state) before the Department will allow the vehicle to be used as a 180-day tax credit. Title applicants who do not have the original proof of ownership will not receive the tax credit at the time of application. If they obtain the proof at a later date, they may apply for a refund of the tax credit.

Thank you for helping the Department ensure that all vehicle purchasers pay the correct amount of taxes as required by Missouri law. Your assistance is greatly appreciated!

➤ PROPER USE OF DEALER PLATES

A licensed dealer must be able to account for all dealer license plates and certificates of numbers issued to its business at all times. The dealer must also ensure that the plates and certificates of numbers are being used appropriately. The following information on proper use

Contd.

of dealer plates is based on information from section [301.560, RSMo](#) and the [Code of State Regulations 12 CSR 10-26](#).

- Motor vehicle dealers may display their dealer plates on any motor vehicle or trailer owned and held for resale by a motor vehicle manufacturer or dealer 1) for use by a customer who is test driving the vehicle; 2) for use and display purposes during parades, private events, and charitable events; or 3) for use by an employee or officer of the dealership.
- Trailer dealers may display their dealer license plates only on trailers owned and held for resale by the trailer dealer. If a trailer dealer takes a motor vehicle in on trade, the dealer may purchase one driveaway license plate to display the vehicle for demonstration purposes.
- Boat dealers may display their certificate of number on vessels or vessel trailers owned and held for resale by the boat manufacturer or boat dealer 1) for use by a customer who is test driving the vessel or vessel trailer; 2) for use when transporting a vessel or vessels to an exhibit or show; or 3) for use by an employee or officer of the dealership. The certificate of numbers should not be displayed on any motor vehicle owned by a boat manufacturer, boat dealer or trailer dealer or on any vessel or vessel trailer hired or loaned to others or on any regularly used service vessel or vessel trailer.
- Recreational motor vehicle dealer plates may be displayed on recreational motor vehicles, trailers, and only on other motor vehicles acquired as a trade-in.

Dealer plates are not to be displayed on:

- Motor vehicles or trailers not for resale;
- Motor vehicles or trailers that are rented or leased;
- Motor vehicles or trailers used by someone other than an owner, officer, or employee of the dealership. This includes loaning a vehicle with a dealer plate to a customer whose vehicle is being serviced or repaired or to relatives of an officer or employee of the dealership;
- Motor vehicles or trailers hired or loaned to others or on any regularly used service or wrecker vehicle; and
- Motor vehicles or trailers used for hauling or towing.

Titling and Other Issues

➤ RESERVE PERSONALIZED LICENSE PLATES ONLINE

A new feature was recently deployed on the Department of Revenue web site that allows you to review a personalized license plate configuration, determine if your desired configuration is available, and reserve it! This feature is currently available for personalization of standard state plates, only. In the future, we hope to make this system available for personalization of specialty plates (organization, military, university, etc.) as well.

Go to <http://plates.mo.gov/> and click Personalize & Reserve.

➤ NEW MARINE TRANSACTION RECEIPTS

The Department will soon begin issuing new transaction receipts using the Titling and Registration Intranet Processing System (TRIPS) for the following marine transactions:

- Original titles
- Duplicate titles
- Corrected titles
- New marine registration

Please be aware that the receipts will look very similar to motor vehicle transaction receipts. Additionally, there will no longer be a \$3.50 processing fee charged for new Missouri Boat/Vessel Registration numbers (MO numbers). A \$3.50 processing fee will continue to be charged for Missouri registration decals.